



## **POSTAL SERVICE**

### **39 CFR Part 111**

#### **Address Quality Census Measurement and Assessment Process**

**AGENCY:** Postal Service<sup>™</sup>.

**ACTION:** Proposed rule; revision; additional comment period.

**SUMMARY:** The Postal Service is revising its pending proposal to amend *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM<sup>®</sup>), to introduce a newly proposed measurement and assessment procedure for evaluating address quality for mailers who enter eligible letter- and flat-size pieces of First-Class Mail<sup>®</sup> (FCM) and USPS Marketing Mail<sup>™</sup> (formerly Standard Mail<sup>®</sup>) that meet the requirements for Basic or Full-Service mailings. In addition, the Postal Service is proposing to extend free Address Change Service (ACS<sup>™</sup>) to mailers who enter qualifying mailpieces.

**DATES:** Submit comments on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**ADDRESSES:** Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to *ProductClassification@usps.gov*, with a subject line of "Address Quality Census Measurement and Assessment Process." Faxed comments are not accepted.

You may inspect and photocopy all written comments, by appointment only, at the USPS<sup>®</sup> Headquarters Library, 475 L'Enfant Plaza SW, 11<sup>th</sup> Floor



North, Washington, DC, 20260. These records are available for review on Monday through Friday, 9 am - 4 pm, by calling 202-268-2906.

**FOR FURTHER INFORMATION CONTACT:** Heather Dyer, USPS Mail Entry, Phone: (207) 482-7217, Email: *heather.l.dyer@usps.gov*.

**SUPPLEMENTARY INFORMATION:** On December 23, 2014, the Postal Service published a notice of proposed rulemaking (79 FR 76930-76931) to add a process for measuring address quality. In response to that proposed rule, the mailing industry provided many valuable comments, which prompted the Postal Service to issue a revised proposed rule on July 6, 2016 (81 FR 43965-43971). In response to the revised proposed rule, the Postal Service again received valuable feedback from the mailing industry. The Postal Service has elected to issue a second revised proposed rule in order to further clarify our proposal, more thoroughly respond to mailer comments, and clearly outline the ways in which the proposal has changed since the revised notice of proposed rulemaking was published on July 6, 2016.

Implementation of this proposed rulemaking will require action by Postal Service management and the Postal Regulatory Commission (PRC). In an effort to facilitate compliance with the requirements set forth in the DMM, the full details of the Address Quality Census Measurement and Assessment Process, including step-by-step instructions and explanatory charts, would be set forth in Publication 6850, *Publication for Streamlined Mail Acceptance for Letters and Flats*, and made available at <https://postalpro.usps.com/node/581>.

The Postal Service continues to look for opportunities to work with mailers to improve address quality and reduce undeliverable-as-addressed (UAA) mail.



We have developed a newly proposed procedure, the Address Quality Census Measurement and Assessment Process, to measure address quality pertaining to move-related changes. This proposed process would allow the Postal Service to provide valuable feedback to mailers who enter eligible letter- and flat-size pieces of FCM and USPS Marketing Mail that meet the requirements for Basic or Full-Service mailings.

The Address Quality Census Measurement and Assessment Process would utilize a scorecard for mailers that conveys information on address hygiene as well as Move Update quality. The scorecard provides mailers with results of change-of-address (COA) verifications along with details about mailpieces that are UAA.

As announced in the proposed rule of July 6, 2016, to encourage the further adoption of Full-Service and to increase the number of mailers that receive address quality information, the Postal Service is proposing to extend free ACS to mailers who enter qualifying Basic automation and non-automation mailpieces; mailpieces that meet the criteria of the Address Quality Census Measurement and Assessment Process; and mailers who meet a Full-Service threshold of 95 percent along with other requirements that are outlined later in this document. Although the basic requirements for mailers to receive free ACS have not changed, as discussed below under the updated subheadings *Address Change Service and Correction Notifications* and *Summary of Industry Comments and Postal Service Responses*, the Postal Service has made minor revisions to the free ACS proposal.



The Postal Service has not changed the proposal as it pertains to Periodicals. Because some mailers who enter Periodicals today could potentially be charged for manual address correction notices on mailpieces using a Full-Service ACS Service Type Identifier (STID), the Postal Service is proposing that mailers who enter Full-Service Periodicals mailings using a Full-Service ACS STID would not be required to pay for or receive manual address correction notices, unless they are requested by the mailer. Although mailers who enter Periodicals would be provided with address quality data, these mailpieces would not be subject to the Address Quality Census Measurement and Assessment Process.

The following updated subheadings build upon the information furnished in the preamble to the proposed rule of July 6, 2016, and are intended to provide a current snapshot of the evolving Address Quality Census Measurement and Assessment proposal.

### **Terms (Updated)**

For purposes of clarification, the Postal Service provides the following definitions of several terms used in this document:

- *eDoc Submitter*: The electronic documentation (eDoc) Submitter is determined using the Customer Registration Identifier (CRID) number that is used to upload the eDoc to the Postal Service for processing. The eDoc submitter most often is the Mail Preparer but can also be the Mail Owner. All results of the Address Quality Measurement would be displayed on the scorecards for the eDoc Submitter and Mail Owner; however, any additional postage assessments would be presented to the eDoc submitter.



- *Legal Restraint:* Mailers of FCM pieces who assert that they are restricted by law from incorporating Postal Service COA information onto their mailpieces without permission from addressees could request Postal Service approval to meet their Move Update standard using the Legal Restraint method. Such mailers must be able to clearly demonstrate how the use of a primary Move Update method would violate the law. For details, consult *Guide to Move Update* at:  
  
<http://beta.postalpro.usps.com/node/1116>. Pieces that meet the requirements for the Legal Restraint method would be excluded from the Mailer Scorecard and the Address Quality Census Measurement and Assessment Process, as long as the mailpieces use the appropriate CRID or Mailer Identifier (MID).
- *Mailer:* The term *mailer* within this document encompasses Mail Owners, Mail Preparers, and Mail Service Providers (MSPs).
- *Mailer Scorecard:* This is an electronic report that contains mail quality measurements and assessments on mailings over a calendar month for Move Update, Full-Service Intelligent Mail, eInduction<sup>®</sup>, and Seamless Acceptance. The Scorecard is accessible through the Business Customer Gateway (BCG) and provides views for both Mail Owners and MSPs.
- *Non-qualifying Mailings:* The non-qualifying mailpieces listed below will be excluded from the Address Quality Census Measurement and Assessment Process and the Mailer Scorecard:



- Mailpieces that are undeliverable due to an address change that is Temporary, Foreign, Moved Left No Address (MLNA), and Box Closed No Order (BCNO).
  - Mailpieces that are priced as single-piece.
  - Mailpieces that qualify for the Legal Restraint method.
  - Mailpieces without the documentation submitted electronically.
- *Qualifying Mailings:* An eDoc submitter is eligible for the Address Quality Census Measurement and Assessment Process when at least one of its mailings qualifies for Full-Service in a calendar month. Thereafter, when mailers enter eligible mailings of letter- and flat-size pieces of FCM and USPS Marketing Mail that meet the requirements for Basic or Full-Service mailings in a subsequent calendar month, the Address Quality Census Measurement and Assessment Process will be used, if the postage statement and supporting documentation are submitted electronically and a unique Intelligent Mail barcode (IMb<sup>®</sup>) is included in the eDoc.

### **Summary of Industry Comments and Postal Service Responses (Updated)**

The Postal Service appreciates all of the comments that were provided by the mailing industry in response to the original proposed rule of December 23, 2014, and the revised proposal of July 6, 2016. This valuable feedback was used to establish this further revised proposal. These comments and replies can serve as frequently asked questions (FAQs) to help clarify the Address Quality Census Measurement and Assessment Process. The mailers' comments and corresponding Postal Service responses are outlined as follows:

#### ***Mailer Comment***



In the proposed rule, the Postal Service mentioned multiple times that Periodicals would not be part of the Move Update requirement. This makes sense since Periodicals already have a requirement to receive address corrections. However, Periodicals appear to be removed from getting free ACS for the small portion of their mailing that may be Basic. Would the small portion of Periodicals mailing entered as Basic, which meet all of the other requirements, receive free ACS as the other classes of mail mentioned?

***Postal Service Response***

No; the portions of Periodicals mailings entered under Basic instead of the Full-Service would not be eligible for ACS without an associated fee.

***Mailer Comment***

For the last few years, many Periodicals mailers have been going through an ACS reconciliation process. This was implemented and administered by the National Customer Support Center (NCSC) to prevent Periodicals mailers from being charged for traditional ACS that should have been scanned as Full-Service at no charge. Would this process remain in place with the new proposal?

***Postal Service Response***

The Reconciliation process would be discontinued with implementation of the proposed process. Those Periodicals mailers using a Full-Service ACS STID would continue to receive their ACS notices at no charge.

***Mailer Comment***

It was mentioned that mailers who enter mailings of Full-Service Periodicals using a Full-Service ACS STID would not be required to receive or pay for manual address correction notices unless they are requested. Please



provide clarification. We don't want to pay for something that we did not request; however, we still need to receive the notice if it is not being sent to us electronically. If we don't receive the manual notice about a correction, then the next issue of the publication would still go to the incorrect address. Should this be worded as "...will not be required to pay for manual address corrections unless they are requested."?

***Postal Service Response***

Only mailpieces for which mailers request and receive manual ACS notices would be charged the applicable fee.

***Mailer Comment***

The Postal Service is proposing to charge the eDoc submitter, if they exceed the address quality error threshold. However, we feel that the Mail Owner should incur the charge since the eDoc submitter is rarely responsible for maintaining address quality. Additionally, since the purpose is to reduce UAA mail, the process of rolling all Move Update errors in an entire month may not identify those Mail Owners who are challenged with maintaining quality address files.

***Postal Service Response***

As is the case with the current verification processes, the Postal Service proposes to charge the eDoc submitter for all verification failures. Data showing the source of errors by the Mail Owner would be available.

***Mailer Comment***



We disagree with the proposed process that would allow the eDoc submitter to charge assessments to any permit during that month without the owner of the permit having the ability to dispute the charges.

***Postal Service Response***

At this time, the eDoc submitter has the option to request review of an assessment. Upon payment of an assessment the Mail Owner whose permit is used receives email notification of the transaction. Mail quality data are available throughout the month, allowing eDoc submitters and Mail Owners to discuss assessments before and during the 10-day mailer review period.

***Mailer Comment***

The proposed rule indicated that the error threshold under consideration is 0.5 percent; however, the assessment amount for each non-compliant mailpiece beyond the threshold was not identified. It was indicated that “The Address Quality Assessment Fee is currently pending management and regulatory approval.” When will the assessment details be communicated?

***Postal Service Response***

The assessment charge will be communicated in the filing at the Postal Regulatory Commission (PRC).

***Mailer Comment***

There is some concern regarding the timing of the reconciliations and incoming address corrections. Since the reconciliation does not occur until the 10th of the month for the previous month’s activity, a mailer would be unable to determine whether an assessment would apply, if the errors occurred relatively close to the threshold. In addition, after the notification is sent on the 10th of the



month, the eDoc submitter has only 10 days to research and dispute an assessment. The amount of research required to validate an error can be extensive, and this narrow window of opportunity may not be sufficient.

***Postal Service Response***

At this time, the Postal Service does not propose changing the review period of 10 business days. Mail quality and estimated assessment data are available throughout the month, which allows eDoc submitters and Mail Owners to review assessments before and during the 10-day mailer review period.

***Mailer Comment***

Mailers need clarification on the role and engagement of the United States Postal Inspection Service (USPIS) with regard to use of the Mailer Scorecard. Please outline the process that details how the USPIS can no longer assess mailers for non-compliance without first validating the scorecard/performance results and working with the Postal Service prior to discussing compliance with the mailer. Mailers should not be put at risk of double jeopardy between the Postal Service and USPIS. This is a critical concern that needs to be addressed.

***Postal Service Response***

All mailings using postage rates that require compliance with the Move Update standard, regardless of whether they qualify for verification under the Address Quality Census Measurement and Assessment Process, may be subject to a separate assessment in the event that they do not comply with the Move Update standard pursuant to DMM 602.5. A mailer has not complied with the Move Update standard if a USPS-approved Move Update method (DMM 602.5.2) was not used to update the mailer's address list with correct addresses



(unless the mail bears an alternative address format under DMM 602.3). In those circumstances, the mailer did not qualify for the presort or automation price claimed on the postage statement or electronic documentation. The separate assessment could be applied to every mailpiece in a mailing for which the mailer did not comply with the Move update standard, and would be limited to the difference between the postage previously paid (including the Move Update assessment charge, if applicable) and the applicable First-Class Mail single-piece rate.

***Mailer Comment***

This proposal for a 95 percent Full-Service threshold for ACS (Address Change Services) might not drive the behavior the Postal Service is looking for. Overall, the goal should be working to improve the mail quality results and making it simpler for mailers to automate address quality improvements that would help both mailers and the Postal Service. The Postal Service is making this more complicated than needed.

This threshold proposal increases complexity and would add an unnecessary burden on the Postal Service to support the administrative costs for explaining what is and isn't free. It would also put an extra burden on mail service providers and Mail Owners in managing their overhead. The Postal Service previously announced that free ACS would be offered to customers for all basic and nonautomation rates. The Postal Service should offer the ACS service for free to continue to promote the use of ACS and improve overall address quality. Establishing a threshold is the wrong approach to "On-Board" mailers to Full-Service and does not help drive toward greater address quality. At the very least,



another approach to consider is that once a mailer reaches 95 percent eligible they are qualified going forward. Tying eligibility to the data from the previous month is overly complex and problematic as well.

***Postal Service Response***

We have re-evaluated this process and revised the proposal accordingly. Once a mailer qualifies for free ACS for basic automation and nonautomation pieces by reaching 95 percent Full-Service, ACS information would be provided for free on all qualifying pieces. We would then review compliance on a quarterly basis and provide notification if a mailer would be removed from the program for falling below the threshold. Once the 95 percent threshold is met again, free ACS information would be provided in the next calendar month.

***Mailer Comment***

Please outline the process for establishing and changing thresholds. Changes to the thresholds could have a significant financial impact on mailers, so it is important to clarify and understand this process across all parties.

***Postal Service Response***

The Postal Service sets and revises error thresholds through a periodic statistical analysis of quality for all mailings. The Postal Service has committed to providing at least 90 days of notice prior to changing a threshold.

***Mailer Comment***

Changes are needed on the actual scorecard that makes it clearer to mailers whether they could be at risk for ACS charges. The Postal Service should add a yes/no indicator for free ACS eligibility on the scorecard.

***Postal Service Response***



The Postal Service will evaluate adding this indicator to the Mailer Scorecard as a future enhancement.

***Mailer Comment***

Please clarify which IMb Basic pieces would qualify for free ACS. What is required for uniqueness for the data provisioning? The Postal Service has IMb Basic mail as well as Basic non-automation pricing for postage. The Postal Service needs to further clarify their reference to Basic mail as it is impacted by free ACS.

***Postal Service Response***

IMb Basic mailings would be eligible for no-fee ACS along with non-automation mailpieces. However, the mailpieces must meet all of the following requirements:

- Bear a unique IMb printed on the mailpiece;
- Include a Full-Service or OneCode ACS STID in the IMb;
- Include the unique IMb in eDoc;
- Be sent by an eDoc submitter that provides accurate Mail Owner identification in eDoc, and;
- Be sent by an eDoc submitter entering more than 95 percent of eligible volume as Full-Service.

***Mailer Comment***

We propose that the Postal Service should create a STID that mailers can use if they are above the threshold, so if they dip below the threshold they would not be provided with data and charged.

***Postal Service Response***



At this time, the Postal Service will not be introducing a STID for mailers who do or do not qualify for no-fee ACS.

***Mailer Comment***

The Postal Service needs to clarify how the ACS data would be provisioned when single-piece and presort mail is free over the 95 percent threshold. The process is not clear and could create a potential Move Update compliance issue for mailers using ACS through Full-Service if the data is not provisioned to them when a mailer is below the threshold.

***Postal Service Response***

This data would be available through either the Full-Service ACS data feed in *PostalOne!*<sup>®</sup> or through Single Source ACS. Full-Service ACS data through *PostalOne!* is provisioned to the Mail Owner identified in eDoc or the established delegate. SingleSource ACS is available for mailers that wish to receive all ACS notices, subject to the appropriate fees for notices provided on mail that does not qualify for the Full-Service discounts and benefits. SingleSource ACS data is provisioned to the Mail Owner identified in the IMb or the established delegate.

***Mailer Comment***

Please outline the fees associated with COA assessments. Mailers need to understand the specific risk or potential business impact.

***Postal Service Response***

The Move Update assessment charge under the Address Quality Census Measurement and Assessment Process will be communicated in the PRC filing.

***Mailer Comment***



What is the appeal procedure if a mailer does not agree with a BME assessment? How does this change using the Census method?

***Postal Service Response***

Mailers may appeal postage assessments by following the dispute process that is outlined in the current *Guide to Postage Assessment* available on PostalPro at: <http://beta.postalpro.usps.com/node/847>.

***Mailer Comment***

Mailers utilizing National Change of Address Linkage System (NCOA<sup>Link®</sup>) End-User licenses have only 18 months of data and not 48 months of data when using NCOA<sup>Link</sup>. Does this put End-User licensees at a disadvantage? Confirm the time period for the data used in the Address Quality Census Measurement and Assessment Process. If it is not 18 months or less, mailers utilizing NCOA<sup>Link</sup> End-User licenses would be at a disadvantage.

***Postal Service Response***

Move Update errors are generated only for COAs that are between 95 days and 18 months. A COA over 18 months old disadvantages End-User licensees because it generates a Nixie notice for the sender.

***Mailer Comment***

It appears that NCOA<sup>Link</sup> and ACS are not in sync. What reconciliation of files, processes, and addresses would occur between NCOA<sup>Link</sup> and ACS?

***Postal Service Response***

The COA data for NCOA<sup>Link</sup> and ACS are from the same source (the moving customer), and they are in sync. If the mailer has a record with a name or address that cannot be matched to the addressee's COA request, the update



may not be provided via NCOA<sup>Link</sup> but may be available through ACS. These scenarios are encompassed within the threshold determined for Move Update errors.

***Mailer Comment***

The error tolerance applied to mailings should be based on the average accuracy observed through census-based verification over an extended period of time. Accordingly, the validity of the proposed 0.5 percent error tolerance should be measured against this standard before being implemented, and should be re-evaluated annually.

***Postal Service Response***

The Postal Service currently sets and revises error tolerances through a periodic statistical analysis of quality for all mailings. The Postal Service has committed to providing at least 90 days of notice prior to changing a threshold.

***Mailer Comment***

The Postal Service should clarify whether the eDoc submitter would be provided piece-level data for all COA errors, not just the first 1,000 records. To the extent the data are driving the fee assessments; the data must be reliable, timely, and comprehensive.

***Postal Service Response***

Piece-level data for all COA errors is available through the bulk data request process. The Postal Service currently provides error information on a weekly and monthly basis upon request.

***Mailer Comment***



The Postal Service should also clarify how the newly proposed Address Quality Census Measurement and Assessment Process would handle mailpieces that are processed using the NCOA<sup>Link</sup> Mail Processing Equipment (MPE) enabled Multiline Optical Character Reader (MLOCR). Specifically, the Postal Service should clarify that COA matches that are not identified by an MPE solution would be excluded from the error threshold calculation for the purpose of determining the assessment fee.

***Postal Service Response***

Piece-level data for all COA errors is available through the bulk data request process. The Postal Service currently provides error information on a weekly and monthly basis upon request.

***Mailer Comment***

The Postal Service should also clarify how it would reconcile different results from NCOA<sup>Link</sup>, NCOA<sup>Link</sup> MPE, and ACS. Currently, those systems do not always return the same results; it would be unfair to charge mailers and mail service providers for COA records that were not identified by a USPS-approved Move Update methodology. The Postal Service should also clarify how COAs older than 18 months would be treated.

***Postal Service Response***

The COA data for NCOA<sup>Link</sup> and ACS are from the same source (the moving customer), and they are in sync. If the mailer has a record with a name or address that is unable to match to the addressee's COA request, the updated information may not be provided via NCOA<sup>Link</sup> but may be available through ACS.



These scenarios are encompassed within the threshold determined for Move Update errors.

***Mailer Comment***

The Postal Service should clarify what are the database address update requirements for NCOA<sup>Link</sup> MPE with the new census method. NCOA<sup>Link</sup> MPE Mail Owners are currently not required (though they are encouraged) to update their addresses in the database. This is because each address is run through this Move Update process and updated above the clear zone and in the IMb before every mailing. It would be impossible for every small mailer that uses a commingling service to update their addresses from COA data. It would also cause significant operational costs for the MSP to separately profile every Mail Owner while processing, because Full-Service standards only require profiling for Mail Owners over 5,000 pieces.

***Postal Service Response***

At this time, the Postal Service does not plan to change the established requirements on database address updates for NCOA<sup>Link</sup> MPE.

***Mailer Comment***

In the paragraph labeled Address Change Service and Correction Notifications, the Postal Service stated that any address change information that does not qualify for free ACS would be provided through SingleSource while there is no similar comment in the actual DMM language. Will the Postal Service continue to support returning all the current methods of address correction since our mutual clients do not all subscribe to SingleSource?

***Postal Service Response***



This information would be available through either the Full-Service ACS data feed in *PostalOne!* or through SingleSource ACS. Full-Service ACS data through *PostalOne!* is provided to the Mail Owner identified in eDoc or the established delegate. SingleSource ACS is available for mailers that wish to receive all ACS notices, subject to the appropriate fees for notices provided on mail that does not qualify for the Full-Service discounts and benefits. SingleSource ACS data is provided to the Mail Owner identified in the IMb or the established delegate.

***Mailer Comment***

Can you clarify how “or Current Resident” affects the electronic flagging of pieces in the census method? Our expectation is that if a mailpiece is addressed to “John Doe or Current Resident” with a valid physical address, that even if a COA would have been generated for John Doe at that address the piece would NOT be flagged as a Move Update failure.

***Postal Service Response***

When a mailpiece is processed through Postal Automated Redirection System (PARS)/Computerized Forward System (CFS) as UAA, it would be logged as a Nixie not a COA error. PARS normally identifies the “or Current Resident” wording in the address block and returns it to the carrier with a label stating, “Mailpiece to be delivered as addressed.”

***Background (Updated)***

The Postal Service requires mailers to update address-related changes through the Move Update requirements process. Currently, Move Update



compliance is measured at the mailing level using the Mail Evaluation Readability and Lookup INstrument (MERLIN®) as follows:

- At the point of acceptance, mailings are randomly selected for address quality assessment, and samples of the selected mailings are processed through MERLIN.
- *PostalOne!* sends an electronic version of the mailer's Postage Statement Message (PSM) to the MERLIN Maintenance and Operations Database (MMOD).
- MMOD routes the PSM to the appropriate site and MERLIN machine.
- Postal Service personnel generate a verification report, and the report produces a set of results that are routed back to the MMOD system.
- MERLIN generates a report that provides the details on mail quality.
- MMOD sends an Address Quality Validation System (AQVS) message-stream of addresses, names, and ZIP Codes to the NCSC for Move Update processing.
- MERLIN captures the address information from the mailpiece and electronically sends each record to the NCSC to see if there is a COA on file.
- The piece is identified as an error if the mailer did not use the updated address indicated in the COA on file, and the COA "filing date" is between 95 days and 18 months of the postage statement finalization date.
- MMOD sends mail verification results (whether the mailer passed) to the *PostalOne!* system.



- NCSC processes the AQVS data stream and sends the results to *PostalOne!* which addresses the Move Update failures.
- *PostalOne!* uses the mail verification and NCSC Move Update results to formulate the final charges.

In 2013, the Postal Service introduced the concept of measuring and assessing mail quality for mailings over a calendar month for Full-Service Intelligent Mail, electronic induction (eInduction), and Seamless Acceptance. Since August 2014, Postal Service technology has further evolved so that, when mailers use an IMb and submit their postage statements and supporting documentation electronically, data collection scans from MPE can be used to evaluate the address and move-related quality of mail being processed. Accordingly, the Postal Service is using this technology as an alternative to measure and evaluate the quality of mailings.

#### **Future Process (Updated)**

The Postal Service has revised its earlier proposal, and is now proposing to replace the existing MERLIN Move Update verification process with the Address Quality Census Measurement and Assessment Process. In other words, MERLIN Move Update verification would terminate upon implementation of the Address Quality Census Measurement and Assessment Process. As previously proposed, the new method would apply to mailing of letter- and flat-size pieces FCM and USPS Marketing Mail that meet the requirements for Basic and Full-Service mailings.

In addition, the revised proposal of July 6, 2016, has been modified to reflect the fact that qualifying mailings would still be required to document Move



Update compliance methods on a postage statement, *mail.dat*, or *mail.xml* once the Address Quality Census Measurement and Assessment Process is in place. Documents demonstrating the method used should be available upon request by the Postal Service, and mailers would continue to use a Move Update method in order to remain below the Address Quality Census Measurement and Assessment Process error threshold, expedite the delivery of mail by avoiding mail forwarding, and increase the security and privacy of sensitive customer information.

The proposal has not changed with regard to Periodicals; mailers who enter Periodicals would be provided with address quality data, but the Move Update mailers of Periodicals would not be verified under the Address Quality Census Measurement and Assessment Process, because the Move Update Standard in DMM 602.5 does not extend to Periodicals.

The Address Quality Census Measurement and Assessment Process is a much more robust method to verify address quality, and would generate several benefits, including enhanced mailing visibility and improved mail quality metrics on all mailings entered within a calendar month, rather than sampled mailings. The Postal Service has not changed the overall method for measuring all applicable mailings within a calendar month under the Address Quality Census Measurement and Assessment Process, which would be accomplished according to the following process:

- Mailpieces would be scanned on MPE.
- Address information captured from mailpieces identified as UAA would be evaluated to determine if COA information is on file.



- The address information for mailpieces matching an active COA would be sent electronically to NCSC.
- NCSC would forward COA information to the Address Quality Census Measurement and Assessment Process for evaluation.
- Move Update validations would be performed by comparing the MID + Serial Number of the IMb from the COA-related mailpiece data. If the COA is between 95 days and 18 months old, and the address has not been updated, then a COA error for the associated IMb would be logged and allocated under the CRID of the eDoc submitter.
- All qualifying mailpieces entered by an eDoc submitter in a calendar month would be subject to the proposed error threshold for the Address Quality Census Measurement and Assessment Process. The proposed error threshold is 0.5 percent, and is subject to review at the PRC.
- The Postal Service would assess the relevant eDoc submitter CRID the Move Update Assessment Charge for each mailpiece with a COA error beyond the threshold.
- The data would be collected and reported on the Mailer Scorecard under the eDoc submitter CRID.

### **Move Update Assessment Charge (Updated)**

Because the new method of verification would replace the MERLIN method, the charge would still be termed the Move Update assessment charge, and not renamed the address quality assessment fee. When the ratio of qualifying mailpieces with COA errors to total qualifying mailpieces submitted in the calendar



month by the eDoc submitter exceeds the Address Quality Census Measurement and Assessment Process error threshold, the Move Update assessment charge would apply to the mailpieces with COA errors above the threshold. The Move Update assessment charge will be communicated to the public upon filing with the PRC.

### **Mailer Scorecard (Updated)**

The Mailer Scorecard is currently available to mailers, and this report provides data that allow mailers to gauge address quality on their mailpieces. Mailers would be charged only for mailpieces above the errors threshold after the PRC review is completed and the Postal Service implements the final rule.

### **Criteria (Updated)**

The Postal Service has retained the proposed criteria to qualify for verification under the Address Quality Census Measurement and Assessment Process. Mailers would be verified under the process when they:

- Submit any mailpieces during a calendar month as Full-Service;
- Use a unique Basic or Full-Service IMb on mailings of letter- and flat-size pieces for FCM and USPS Marketing Mail, and;
- Use eDoc to submit mailing information.

### **Specifications (Updated)**

The Postal Service has retained the proposed specifications for assessing address quality. Once the Postal Service implements the proposed process, address quality would be measured as follows:

- Analysis would be performed on all pieces in the mailing, rather than on a sample.



- The assessment would be determined by the number of COA errors, in a calendar month, divided by the total number of pieces mailed that were subject to analysis. The resulting percentage would be compared to the established Address Quality Census Measurement and Assessment Process error threshold.
- There are a number of exclusions to the measurement and assessment process. Generally, mailpieces with addresses that have the following COA characteristics would not be included in the assessment: Temporary moves, MLNA, BCNO, and COA data for foreign addresses.
- Mailpieces authorized for the Legal Restraint alternate Move Update method (See *Guide to Move Update*) would be excluded at the CRID level of the Mail Owner, during a short transition period. After the transition period, an established MID would be identified for use on mailpieces that fall under the Legal Restraint method.

### **Mailpiece Results (Updated)**

Once qualifying mailings were processed on MPE, the data from mailpieces would be reconciled with eDoc. These results would be available on the BCG and displayed on the Electronic Verification tab of the Mailer Scorecard, which would be easily accessible at

<https://gateway.usps.com/eAdmin/view/signin>. Mailers would be able to review the Mailer Scorecard and corresponding detailed reports to identify any anomalies or issues.



To resolve Mailer Scorecard irregularities, mailers should contact the *PostalOne!* Help Desk at 800-522-9085 or their local Business Mail Entry Unit (BMEU).

### **Address Change Service and Correction Notifications (Updated)**

As announced in the proposed rule of July 6, 2016, to encourage the further adoption of Full-Service, the Postal Service is proposing to extend free Full-Service ACS to qualifying Basic automation and non-automation mailpieces for mailers who enter at least 95 percent of their mail as Full-Service in a calendar month. The Basic mailpieces must be prepared as follows:

- Bear a unique IMb printed on the mailpiece;
- Include a Full-Service ACS or OneCode ACS<sup>®</sup> STID in the IMb;
- Include the unique IMb in eDoc, and;
- Be sent by an eDoc submitter providing accurate Mail Owner identification in eDoc.

As clarification, if mailers meet the 95 percent threshold during a calendar month, they would be enrolled to receive free Full-Service ACS for all Basic automation and non-automation mailpieces in the following month. The Postal Service would monitor Full-Service compliance for these mailers on a quarterly basis. If an enrolled mailer's average Full-Service volume dropped below the 95 percent threshold for a given quarter, that mailer would receive notification of its removal from receiving free ACS in the next billing cycle. If the 95 percent threshold were met in a subsequent month, the removed mailer would be re-enrolled to receive free Full-Service ACS for Basic automation and non-automation mailpieces for the next billing cycle.



Address change information would be provided through Full-Service ACS feedback to the Mail Owner identified in eDoc or its delegee. ACS information would continue to be distributed through SingleSource to the Mail Owner identified in the IMb or its delegee.

The revised proposal has not changed with regard to Periodicals; mailers who enter mailings of Full-Service Periodicals would no longer be required to receive and pay for manual address corrections when a Full-Service ACS STID is used. However, these mailers might elect to receive and pay for manual address correction notifications by including the appropriate STID within the IMb.

### **List of Subjects in 39 CFR Part 111**

Administrative practice and procedure, Postal Service.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the following proposed revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1.

Accordingly, 39 CFR part 111 is proposed to be amended as follows:

### **PART 111 — [AMENDED]**

1. The authority citation for 39 CFR part 111 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of *Mailing Standards of the United States*



*Postal Service, Domestic Mail Manual (DMM) as follows:*

***Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)***

\* \* \* \* \*

**507 Mailer Services**

**1.0 Treatment of Mail**

\* \* \* \* \*

**1.5 Treatment for Ancillary Services by Class of Mail**

\* \* \* \* \*

**1.5.2 Periodicals**

\* \* \* \* \*

*[Revise 507.1.5.2c by changing the last word of the sentence to “received” as follows:]*

- c. Address correction service is mandatory for all Periodicals publications, and the address correction service fee must be paid for each notice received.

\* \* \* \* \*

**4.0 Address Correction Services**

\* \* \* \* \*

**4.2 Address Change Service (ACS)**

\* \* \* \* \*

**4.2.2 Service Options**

*[Revise 507.4.2.2 by modifying the introductory sentence and adding a new item “d” as follows:]*



ACS offers four levels of service, as follows:

\* \* \* \* \*

- d. A Full-Service option available to mailings of First-Class Mail automation cards, letters, and flats; USPS Marketing Mail automation letters and flats; USPS Marketing Mail Carrier Route, High Density, and Saturation letters; Periodicals Outside County barcoded or Carrier Route letters and flats; Periodicals In-County automation or Carrier Route letters and flats; and Bound Printed Matter Presorted, non-DDU barcoded flats. Mailers who present at least 95 percent of their eligible First-Class Mail and USPS Marketing Mail volume as Full-Service in a calendar month would receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and USPS Marketing Mail pieces, at the address correction fee for pieces eligible for the Full-Service Intelligent Mail option as described in DMM 705.23.0 for future billing cycles. The Basic First-Class Mail and USPS Marketing Mail mailpieces must:
1. Bear a unique IMb printed on the mailpiece;
  2. Include a Full-Service or OneCode ACS STID in the IMb;
  3. Include the unique IMb in eDoc;
  4. Be sent by an eDoc submitter providing accurate Mail Owner identification in eDoc, and;
  5. Be sent by an eDoc submitter maintaining 95 percent Full-Service compliance to remain eligible for this service and undergo periodic Postal Service re-evaluation.

\* \* \* \* \*



#### **4.2.8 Address Correction Service Fee**

*[Revise 507.4.2.8 by deleting the old language and replacing with new language as follows:]*

ACS fees would be assessed as follows:

- a. The applicable fee for address correction is charged for each separate notification of address correction or the reason for nondelivery provided, unless an exception applies.
- b. Once the ACS fee charges have been invoiced, any unpaid fees for the prior invoice cycle (month) would be assessed an annual administrative fee of 10 percent for the overdue amount.
- c. Mailers who present at least 95 percent of their eligible First-Class Mail and USPS Marketing Mail volume as Full-Service in a calendar month would receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and USPS Marketing Mail mailpieces, as specified in 4.2.2. The electronic address correction notices are charged at the applicable Full-Service address correction fee for all future billing cycles.

\* \* \* \* \*

#### **600 Basic Mailing Standards for All Mailing Services**

\* \* \* \* \*

#### **602 Addressing**

\* \* \* \* \*

#### **5.0 Move Update Standards**

\* \* \* \* \*



*[Revise 602.5.3 by deleting former contents and replacing with new title and contents as follows:]*

### **5.3 Move Update Verification**

Mailers who submit any Full-Service volume in a calendar month will be verified pursuant to the Address Quality Census Measurement and Assessment Process beginning in the next calendar month. First-Class Mail and USPS Marketing Mail letter and flat-size mailpieces with addresses that have not been updated in accordance with the Move Update Standard will be subject to the Move Update assessment charge, if submitted via eDoc with unique Basic or Full-Service IMbs. Supporting details are described in Publication 6850, *Publication for Streamlined Mail Acceptance for Letters and Flats*, available at [www.postalpro.usps.com](http://www.postalpro.usps.com).

*[Revise 602.5.4 as follows:]*

### **5.4 Mailer Certification**

The mailer's signature on the postage statement or electronic confirmation during eDoc submission certifies that the Move Update standard has been met for the address records including each address in the corresponding mailing presented to the USPS.

\* \* \* \*

### **700 Special Standards**

\* \* \* \*

### **705 Advanced Preparation and Special Postage Payment Systems**

\* \* \* \*



## 23.0 Full-Service Automation Option

\* \* \* \* \*

## 23.5 Additional Standards

\* \* \* \* \*

### 23.5.2 Address Correction Notices

\* \* \* \* \*

*[Revise 705.23.5.2a as follows:]*

- a. Address correction notices would be provided at the applicable Full-Service address correction fee for letters and flats eligible for the Full-Service option, except for USPS Marketing Mail ECR flats, BPM flats dropshipped to DDUs, or BPM carrier route flats. Mailers who present at least 95 percent of their eligible First-Class Mail and USPS Marketing Mail volume as Full-Service in a calendar month would receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and USPS Marketing mailpieces charged at the applicable Full-Service address correction fee for future billing cycles. The Basic automation and non-automation First-Class Mail and USPS Marketing Mail mailpieces must:
  1. Bear a unique IMb printed on the mailpiece.
  2. Include a Full-Service or OneCode ACS STID in the IMb.
  3. Include the unique IMb in eDoc.
  4. Be sent by an eDoc submitter providing accurate Mail Owner identification in eDoc.



5. Be sent by an eDoc submitter maintaining 95 percent Full-Service compliance to remain eligible for this service and undergo periodic USPS re-evaluation.

\* \* \* \* \*

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes, if our proposal is adopted.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

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